

**ESCAMBIA COUNTY SCHOOL BOARD
AUDIT COMMITTEE
MINUTES
NOVEMBER 9, 2012 - 1:00 PM**

I. CALL TO ORDER

Tod Wilson, Audit Committee Chair, called the meeting of the Audit Committee to order at 1:03 p.m. in the Human Resource Conference Room, 75 N. Pace Blvd, 1st Floor, Pensacola, FL 32505. Those present were Tod Wilson; Zack Hannah; Earl Lee; Diane Martinez, via telephone conference; David Bryant, Director, Office of Internal Auditing; Michele Kiker, Senior Auditor; Justin Cook, Internal Auditor; Brad Reedy, Intern and Jennifer Chinchar, Audit Administration Specialist, recording the minutes.

II. ADOPTION OF AGENDA

A motion was made by Mr. Lee and seconded by Mr. Hannah to adopt the agenda as presented. Motion passed unanimously.

III. PUBLIC INPUT – There was no public input.

IV. APPROVAL OF MINUTES FROM MEETING OF AUGUST 6, 2012

A motion was made by Mr. Lee and seconded by Mr. Hannah to approve the minutes for the August 6, 2012 meeting. Motion passed unanimously.

V. ITEMS FROM INTERNAL AUDITING

A. Internal Accounts Audits (2011-2012) – Mr. Bryant discussed the following:

Internal accounts audits had been completed and the various areas tested were reviewed.

1. Lipscomb Elementary School – Mr. Bryant indicated a report was issued for this school to indicate that the Office of Internal Auditing was not issuing an opinion due to concerns with missing elements of documentation to support the school's financial statements. Mr. Bryant indicated an interim audit would be conducted in early 2013 to follow up on the concerns indicated in the report.
2. Schools without Audit Findings – There were 9 schools presented.
3. Schools with Audit Findings – There were 16 schools presented. Mr. Bryant indicated that a finding is traditionally issued when an area being tested results in exceptions of 20% or greater. He also indicated training by the Accounting Operations staff for the secretaries and bookkeepers would continue on a regular basis to improve the future audit outcomes.
4. District-Wide Report on School Internal Accounts – Mr. Bryant discussed the process of compiling the district-wide report. He also commented on the frequent findings portion of the report.

A motion was made by Mr. Hannah and seconded by Mr. Lee to accept these reports. Motion passed unanimously.

B. Other Audits/Reviews

1. Tate Food Service Investigation – Mr. Bryant indicated this matter has been ongoing for some time and was referred to Human Resources and the Escambia County Sheriff's Department.
2. Maintenance Stock Procurement Review – Mr. Bryant indicated an analysis of maintenance work orders and parts ordering processes was being conducted.
3. Other Investigations – Mr. Bryant indicated that the Office of Internal Auditing was currently working on a few other investigations, which would be detailed when completed.

C. Other Audits/Reviews


1. FEMA
 - a. Ivan – Mr. Bryant indicated the small project netting process was substantially complete and we are currently waiting on a support letter from the State and a response from FEMA.
 - b. Isaac – Mr. Bryant indicated that the initial FEMA meeting has taken place and the paperwork reimbursement process will begin soon.
2. Principal Pool Training – Mr. Bryant indicated that a presentation on our office and the activities conducted was made by Ms. Kiker to potential principals.
3. Employee Hotline – Mr. Bryant indicated an audit was conducted in 2007 and the results noted that a hotline was in place, but not directed to a specific person or a valid voicemail box. A recommendation was made to direct the hotline to a 3rd party. The Office of Internal Auditing is currently conducting a survey of all school districts in Florida and the information will be compiled and presented to senior management within the District.
4. Employee Benefits Committee – Mr. Bryant is Chair of this committee and wanted to inform the Audit Committee of his position and ensure they supported his activities and time spent working on this committee.
5. Annual Work Plan – Mr. Bryant indicated the Office of Internal Auditing is currently conducting a Risk Assessment to determine future audit activities. The results of the assessment and the annual work plan will be presented in early 2013.

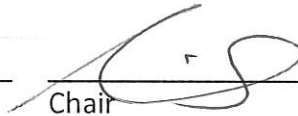
VI. ITEMS FROM COMMITTEE MEMBERS – None

VIII. ANNOUNCEMENTS – Mr. Bryant indicated a self-assessment was being conducted for our 5-year Quality Assessment Review (QAR). He indicated that Ms. Betsy Bowers, Associate Vice President of Internal Auditing at University of West Florida will be conducting the related independent validation of the self-assessment in January 2013.

IX. NEXT MEETING DATE – To be determined.

X. ADJOURNMENT – A motion to adjourn was made by Mr. Lee and seconded by Ms. Martinez. Motion passed unanimously. The meeting ended at 2:27 p.m.


Secretary


Chair

2-15-13
Date

jlc